

HOW LONG SHOULD YOU KEEP BUSINESS RECORDS

DISCLAIMER NOTICE: The following information is only a recommendation and is taken from various sources that recommend the length of time to keep various business records. This is not an all inclusive list as there are many other types of records that businesses are required to retain for specific purposes including but not limited to employee exposure to various substances records under occupational safety and health regulations, environmental test records, etc. In many cases, there are no laws requiring how long to keep specific business records. In the case of tax audits, audits can go back seven years in most cases unless fraud is alleged in which case the tax audit can go back an unlimited time. The reader is advised to use his/her best judgement as to how long to keep various business records as the reader may become liable for taxes or other costs if necessary records are not available. The readers must only use the following as a point of information in making his/her decision.

Two Years

- Purchase orders (except purchasing department copy which should be retained for 7 years)
- Stenographers' notebooks
- Stockroom withdrawals

Three Years

- Accounting trial balances and internal audit reports
- Bank reconciliations
- Employment applications of applicants that were not hired
- Expired insurance policies (except for environmental or other insurance coverage which may provide coverage for claims discovered at some time in the future should be retained permanently)
- General correspondence
- Personnel files on former employees
- Petty cash vouchers

Seven Years

- Accident report claims - settled cases. Unsettled cases should be kept permanently.
- Accounts payable ledger
- Accounts receivable ledger
- Automobile expense logs
- Bank statements
- Bills of lading
- Business facility cost records
- Cancelled checks
- Cash books
- Commission records
- Contracts and leases that expired seven years previous
- Employee disability benefit records
- Employee personnel records should be retained at least 7 years after terminating employment
- Employee time cards
- Employment tax reports
- Expense reports

- General journals
- Inventory records
- Invoices to customers and from vendors
- Payroll records and summaries, including payments to pensioners
- Personal property tax returns
- Purchase orders
- Sales tax, state and local business tax returns

Permanently

- Articles of Incorporation, minutes and bylaws
- Audit reports or financial reports prepared by outside accountant
- Cancelled checks for important payments including but not limited to taxes, property acquisition, capital purchases, etc.
- Capital stock and bond registers
- Contracts and leases still in force
- Copyrights
- Correspondence (legal and tax matters)
- Deeds, mortgages, easements and other related property records
- Depreciation schedules

- Expired insurance policies covering environmental or other insurance coverage which may provide coverage for claims discovered at some time in the future should be retained permanently)

- Financial statements (year-end minimum)
- General ledgers
- Licenses and permits
- Patents
- Property appraisals by outside independent appraiser
- Property records - costs, blueprints and plans, inspection reports, etc.
- Tax returns and worksheets, revenue agents' reports and other documents relating to the determination of tax liability
- Trademark registrations